

Historical Tax Law Changes Voluntary Contributions by District

Laws 1963, 1st Special Session, Chapter 1 authorized special districts which sell electricity for direct consumption and not otherwise subject to the General Property Tax, to make "voluntary" contributions to the state and other taxing units. The amount of the "voluntary" contributions was based on the assessed valuation of properties within the special district. This valuation was determined by the County Assessors. Districts were not subject to this payment on properties producing electricity for pumping groundwater and a credit was allowed for costs incurred by the district in producing and distributing water to municipalities. One-half of the payment was made on the first Monday in November and one-half was due on the first Monday in May of the succeeding year. The payment was made to the county treasurer of the county in which the property was located. County treasurers distributed the payments in the same manner as property taxes. (E - April 19, 1963)

Laws 1969, Chapter 135 clarified the procedure for determining the amount of voluntary contributions paid by each district. The responsibility for valuing district property was transferred to the Department of Property Valuation. The law also established a minimum level of contributions for each district. The minimum contribution was equal to a percent of the district's gross revenue from direct sales of electricity for "residential" and "commercial and industrial" purposes. (E - April 18, 1969)

Laws 1973, Chapter 123 transferred the responsibility for valuing district property from the Department of Property Valuation to the newly formed Department of Revenue. (E - July 1, 1974)

Laws 1979, Chapter 153 eliminated, for the 1979 tax year the provision that required districts to pay a minimum level of contributions based on a percent of their gross receipts. (E - July 21, 1979)

Laws 1980, 2nd Special Session, Chapter 8 eliminated the provision that required districts to pay a minimum level of contributions based on a percentage of their gross receipts, beginning in tax year 1984. In tax years 1980, 1981, 1982 and 1983 no minimum contribution level will be required unless provided for by the Legislature.

Laws 1985, Chapter 187 provided statutory authority for agricultural improvement districts to make voluntary contributions to other political subdivisions besides the state, counties, cities, and school districts. The allowable contributions will be phased-in over a 3-year period beginning in the 1986 property tax year.

Laws 1988, Chapter 271 included Salt River Project property in the basic state aid calculation, thereby reducing state aid to school districts where SRP property is located. (E - July 1, 1988)

Laws 1996, 7th Special Session, Chapter 2 provided numerous property tax reforms and reductions that lowered the tax burden on the districts. The impact on voluntary contributions from this act is unknown, however. For a more complete discussion of the act, see the same section under *General Property Tax*. (Effective October 17, 1996.)

Laws 1999, Chapter 76 required all state governmental entities that acquire real or personal property with a tax lien to pay the delinquent taxes on that property, including penalties and interest, to the County Treasurer. (Effective August 6, 1999)